

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7878

BILL NUMBER: SB 478

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Lottery Drawing to Support the National Guard.

FIRST AUTHOR: Sen. Simpson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the State Lottery Commission to annually conduct a special drawing on Veteran's Day. The bill establishes the National Guard Trust Fund. It requires revenues received from the drawing to be deposited in the fund. It also provides that money in the fund may be used to: (1) upgrade and supplement armament, safety equipment, and other equipment of the National Guard; and (2) provide special death benefits for guard members killed in the line of duty. The bill requires the adjutant general to submit proposed expenditures from the fund to the Budget Agency for review by the Budget Agency and the Budget Committee.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill requires the State Lottery Commission to conduct a special drawing each Veteran's Day to raise money to support the Indiana National Guard. The amount of revenue that would be collected from the sale of lottery tickets for Veteran's Day is unknown.

Money received from retailers, less the amount retained as compensation for the sale of the tickets, shall be deposited into the National Guard Trust Fund. This represents \$0.90 on each dollar of revenue. Currently, for every revenue dollar, \$0.02 goes towards advertising and promotion, \$0.57 goes towards prizes, \$0.10 goes towards retailer compensation, \$0.02 goes towards administrative costs, and \$0.29 goes to the state.

Money for the aforementioned functions would be reduced as a result of the redirection of funds to the National Guard Trust Fund. The amount of reduction is unknown. Ultimately, factors associated with this requirement of the bill are dependent on administrative action.

To the extent that the special game for the National Guard Trust Fund reduces Lottery profits from other Hoosier Lottery games, it could potentially reduce the amount of Lottery profits otherwise transferred from the Administrative Trust Fund to the Build Indiana Fund (BIF). As a result, it would increase the annual transfer of Riverboat Wagering Tax from the Property Tax Replacement Fund to the BIF.

Adoption of Rules: The bill requires the Lottery Commission to adopt rules to implement the Veteran's Day drawing. The Commission should be able to absorb any costs associated with adopting rules given its current budget and resources.

National Guard Trust Fund: The bill creates the National Guard Trust Fund. The fund consists of the lottery revenues transferred into the Fund from sale of lottery tickets for a drawing conducted on Veterans Day annually. The fund is to be administered by the Adjutant General of the Indiana National Guard. Expenses of administering the Fund shall be paid from money in the Fund. Money in the Fund does not revert to the state General Fund at the end of the fiscal year.

Money in the Fund can be used for the following purposes: (1) to upgrade and supplement armament, safety equipment, and other equipment of the Indiana National Guard, and (2) to provide special death benefits. Expenditures from the Fund are subject to review by the Budget Committee and review and approval by the Budget Agency.

The bill allows a special death benefit of \$150,000 be paid to a relative of an Indiana National Guard member who dies in the line of duty after December 31, 2005. The lump sum may be paid to a surviving spouse, surviving child or children, or the parent or parents.

Explanation of State Revenues: See *Explanation of State Expenditures*.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Lottery; Indiana National Guard.

Local Agencies Affected:

Information Sources: Indiana Lottery,
http://www.in.gov/hoosierlottery/where_money_goes/04annualreportonline.pdf.

Fiscal Analyst: Sarah Brooks, 317-232-9559.